

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-02197A

Humboldt Water Systems Inc
PO Box 10593
Sedona, AZ 86339



RECEIVED
APR 14 2010
ACC UTILITIES DIRECTOR

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2009
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FOR COMMISSION USE

ANN 04	09
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4-14-10

COMPANY INFORMATION

Company Name (Business Name) Humboldt Water Systems, Inc.

Mailing Address PO Box 10593

Sedona,

(Street)

AZ

86339

(City)

(State)

(Zip)

928-203-0890

Telephone No. (Include Area Code)

928-301-3723

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address timkyllo@msn.com

Local Office Mailing Address Same

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

☒ **Regulatory Contact:**

☒ **Management Contact:** Tim Kylo

President

(Name)

(Title)

PO Box 10593

Sedona

AZ

86339

(Street)

(City)

(State)

(Zip)

928-203-0890

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

928-301-3723

Cell No. (Include Area Code)

Email Address timkyllo@msn.com

On Site Manager: Same

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

Statutory Agent: Tim Kylo

(Name)

PO Box 10593

(Street)

Sedona

(City)

AZ

(State)

86339

(Zip)

928-203-0890

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

928-301-3723

Cell No. (Include Area Code)

Attorney: N/A

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ **Sole Proprietor (S)**

☐ **C Corporation (C) (Other than Association/Co-op)**

☐ **Partnership (P)**

☒ **Subchapter S Corporation (Z)**

☐ **Bankruptcy (B)**

☐ **Association/Co-op (A)**

☐ **Receivership (R)**

☐ **Limited Liability Company**

☐ **Other (Describe)**

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**

☐ **COCHISE**

☐ **COCONINO**

☐ **GILA**

☐ **GRAHAM**

☐ **GREENLEE**

☐ **LA PAZ**

☐ **MARICOPA**

☐ **MOHAVE**

☐ **NAVAJO**

☐ **PIMA**

☐ **PINAL**

☐ **SANTA CRUZ**

☒ **YAVAPAI**

☐ **YUMA**

☐ **STATEWIDE**

COMPANY NAME

Humboldt Water Systems, Inc.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	2,378	2,378	0
302	Franchises			
303	Land and Land Rights	6,650	N/A	
304	Structures and Improvements	10,041	3,845	6,196
307	Wells and Springs	19,897	19,897	0
311	Pumping Equipment	48,916	48,916	0
320	Water Treatment Equipment	2,087	2,087	0
330	Distribution Reservoirs and Standpipes	47,943	38,836	9,107
331	Transmission and Distribution Mains	129,937	102,700	27,237
333	Services	50,511	33,510	17,001
334	Meters and Meter Installations	37,735	28,846	8,889
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	356,095	281,015	75,080

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Humboldt Water Systems, Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	2,378		
302	Franchises			
303	Land and Land Rights	6,650	N/A	
304	Structures and Improvements	10,041	3.33%	334
307	Wells and Springs	19,897	3.33%	100
311	Pumping Equipment	48,916	12.5%	0
320	Water Treatment Equipment	2,087	3.33%	0
330	Distribution Reservoirs and Standpipes	47,943	2.22%	1,064
331	Transmission and Distribution Mains	129,937	2.0%	2,599
333	Services	50,511	3.33%	1,682
334	Meters and Meter Installations	37,735	8.33%	3,143
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	356,095		8,922

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 10,576	\$ 4,210
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	2,553	
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	3,345	
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 16,474	\$ 4,210
	FIXED ASSETS		
101	Utility Plant in Service	\$ 356,095	\$ 356,095
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(270,784)	(281,015)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 85,311	\$ 75,080
	TOTAL ASSETS	\$ 101,785	\$ 79,290

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME

Humboldt Water Systems, Inc.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	24,514	25,538
236	Accrued Taxes	699	
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 24,514	\$ 25,538
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 26,301	\$ 24,976
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	37,459	44,583
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	19,909	19,909
272	Less: Amortization of Contributions	(597)	(995)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 56,771	\$ 63,497
	TOTAL LIABILITIES	\$ 107,586	\$ 114,011
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 2,013	\$ 2,013
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(7,814)	(12,815)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ (5,801)	\$ (10,802)
	TOTAL LIABILITIES AND CAPITAL	\$ 101,785	\$ 103,209

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 121,717	\$ 131,349
460	Unmetered Water Revenue		
474	Other Water Revenues	1,205	1,010
	TOTAL REVENUES	\$ 122,922	\$ 132,359
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	14,292	15,507
618	Chemicals	2,016	3,024
620	Repairs and Maintenance	13,890	19,387
621	Office Supplies and Expense		
630	Outside Services	73,170	87,269
635	Water Testing	2,626	3,641
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	1,450	1,200
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	1,497	
403	Depreciation Expense	15,274	8,922
408	Taxes Other Than Income		
408.11	Property Taxes	4,524	4,483
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 128,739	\$ 143,433
	OPERATING INCOME/(LOSS)	\$ (5,817)	\$ (11,074)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(1,610)	(1,741)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (1,610)	\$ (1,741)
	NET INCOME/(LOSS)	\$ (7,427)	\$ (12,815)

COMPANY NAME

Humboldt Water Systems, Inc.

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	1/9/1999			
Source of Loan	WIFA			
ACC Decision No.	61529			
Reason for Loan	improvements			
Dollar Amount Issued	\$ 39,500	\$	\$	\$
Amount Outstanding	\$ 24,976	\$	\$	\$
Date of Maturity	12/31/2019			
Interest Rate	5.81 %	%	%	%
Current Year Interest	\$ 1,741	\$	\$	\$
Current Year Principle	\$ 1,325	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 25,538

Meter Deposits Refunded During the Test Year

\$ 3,175

COMPANY NAME	Humboldt Water Systems, Inc.		
Name of System:	Humboldt Water system	ADEQ Public Water System Number:	13-052

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
623784	5	40	150	6	1.5	?
533639	10	150	300	8	3	1991

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
65,000	1		

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	Humboldt Water Systems, Inc		
Name of System:	Humboldt Water	ADEQ Public Water System Number:	13-052

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	steel	10,000
3		
4	pvc	15,740
5	steel	3,500
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	206
3/4	103
1	1
1 1/2	
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

liquid chlorine injector

STRUCTURES:

Fenced lot storage tank equipment bldg

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME:	Humboldt Water Systems, Inc.	
Name of System:	Humboldt Water	ADEQ Public Water System Number: 13-052

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2009

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	319	1,363	1,581	
FEBRUARY	324	1,334	1,507	
MARCH	327	1,369	1,574	
APRIL	328	1,713	2,004	
MAY	324	1,912	2,256	
JUNE	326	1,992	2,370	
JULY	323	2,311	2,703	
AUGUST	324	2,471	2,841	
SEPTEMBER	321	2,318	2,596	
OCTOBER	324	1,793	2,061	
NOVEMBER	324	1,857	2,191	
DECEMBER	322	1,558	1,822	
TOTALS →		21,991	25,506	

What is the level of arsenic for each well on your system? _____ mg/l
(If more than one well, please list each separately.)

623784 11.6
533639 5.9

If system has fire hydrants, what is the fire flow requirement? ____ GPM for ____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
☒ Yes ☐ No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
☒ Yes ☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
☐ Yes ☒ No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: <i>Bradshaw Mountainview Water</i>	
Name of System: <i>Bradshaw Mountain</i>	ADEQ Public Water System Number: <i>13-062</i>

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY			
FEBRUARY		3	
MARCH		5	
APRIL		5	
MAY		7	
JUNE		2	
JULY		3	
AUGUST		1	
SEPTEMBER		4	
OCTOBER		5	
NOVEMBER		6	
DECEMBER		5	
TOTALS →		46	

OTHER (description):

COMPANY NAME Humboldt Water Systems, Inc YEAR ENDING 12/31/2009

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2009 was: \$ 4,483.48

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED
10-1-10
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona

**I, THE UNDERSIGNED
OF THE**

COUNTY OF (COUNTY NAME)	Yavapai
NAME (OWNER OR OFFICIAL) TITLE	Tim Kylo
COMPANY NAME	Humboldt Water Systems, Inc

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

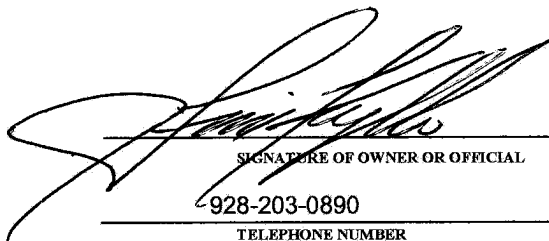
MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL
928-203-0890

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

13th

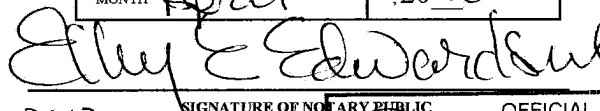
DAY OF

COUNTY NAME	Yavapai
MONTH	April
	2010

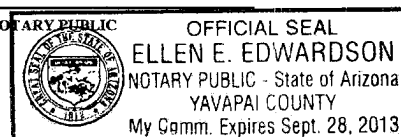
(SEAL)

MY COMMISSION EXPIRES

Sept 28, 2013



SIGNATURE OF NOTARY PUBLIC



COMPANY NAME Humboldt Water Systems, Inc. YEAR ENDING 12/31/2009

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported N/A S- Corp
Estimated or Actual Federal Tax Liability

State Taxable Income Reported
Estimated or Actual State Tax Liability

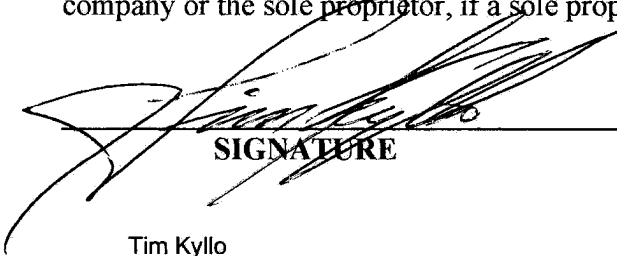
Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances
Amount of Gross-Up Tax Collected
Total Grossed-Up Contributions/Advances

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.



SIGNATURE
Tim Kylo

PRINTED NAME

4/12/2010

DATE
Pres

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
ACC UTILITIES DIRECTOR

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Yavapai
NAME (OWNER OR OFFICIAL) TITLE	Tim Kylo
COMPANY NAME	Humboldt Water Systems, Inc.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2009 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 132,359

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 9,472
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**



SIGNATURE OF OWNER OR OFFICIAL
928-203-0890

TELEPHONE NUMBER

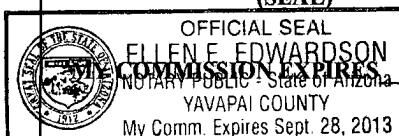
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 13th **DAY OF**

COUNTY NAME	Yavapai	
MONTH	April	2010

(SEAL)



Sept 28, 2013



SIGNATURE OF NOTARY PUBLIC

10/12/2009

Yavapai County Treasurer

**2,241.74

Two Thousand Two Hundred Forty-One and 74/100*****

Yavapai County Treasurer
1015 Fair Street
Prescott, AZ 86305

912-82-280 5/1st Half 2009

Yavapai County Treasurer
Taxes:Property

1st Half 2009 property taxes

10/12/2009

2,241.74

National Bank Checki 912-82-280 5/1st Half 2009

2,241.74

Yavapai County Treasurer
Taxes:Property

1st Half 2009 property taxes

10/12/2009

2,241.74

National Bank Checki 912-82-280 5/1st Half 2009

2,241.74

12/24/2009

Yavapai County Treasurer

**2,241.74

Two Thousand Two Hundred Forty-One and 74/100*****

Yavapai County Treasurer
1015 Fair Street
Prescott, AZ 86305

912-82-280 5/2nd half 2009

Yavapai County Treasurer
Taxes:Property

2nd half 2009

12/24/2009

2,241.74

National Bank Checki 912-82-280 5/2nd half 2009

2,241.74

Yavapai County Treasurer
Taxes:Property

2nd half 2009

12/24/2009

2,241.74

National Bank Checki 912-82-280 5/2nd half 2009

2,241.74